

USEITI Implementation Subcommittee

Wednesday, January 21, 2015

11:00 – 12:30 pm

Meeting Summary

Teleconference: 1-877-984-1404; Passcode: 2973393# (Leader Code 1923766#)

Meeting Agenda

- 11:00 Welcome and Introductions
- 11:05 IA Staffing Modification Update
- 11:10 Data Collection and Reconciliation Project Plan Update - Deloitte
- 11:20 Workgroup Updates
- 11:20 Inception Report Workgroup Update
 - Report out on full day meeting outcomes
 - Next steps
- 11:35 Template and Project Level Workgroup Update
 - Report out on full day meeting outcomes:
 - a. Data Collection and Reconciliation Timeline
 - b. Description of all DOI revenue streams
 - c. Report Template
 - d. Tax authorization form and letter
 - e. Margin of error
 - f. Webinar for companies
 - Next steps
- 12:20 Workplan Workgroup Update
- 12:25 Next Steps
 - USEITI Project Plan Timeline
 - One day facilitated discussion on data collection and reconciliation for taxes
 - Next Implementation Subcommittee meeting - January 28, 2015
 - Questions?
- 12:30 Adjourn

IA Staffing Modification Update

Since the December 2014 MSG meeting, the IA proposed several staffing changes including a new Project Manager, John Mennel, who will be introduced to the co-chairs at the next co-chairs meeting. The staffing structure has also changed to reflect the breakout of two teams, one team for the reconciliation work and the other for the contextual narrative work. Kim and Judy are working closely with the contracting office to draft the contract modification to address staffing changes and changes to the project plan timeline.

Data Collection and Reconciliation Project Plan Update

Deloitte is waiting for Subcommittee comments on the latest draft of the document. The Subcommittee was given an extension for turning in comments to Kim Oliver by COB Friday Jan 23rd. Mike LeVine and Paul Bugala submitted one comment on section 4.2.2 of the document which stressed the importance for Deloitte to draft a rule that identifies all discrepancies and issues ahead of time so that they can be avoided. Deloitte responded by saying that was always their intent and they will rewrite that section to make sure the process is thoroughly documented.

Deloitte will update the plan with the new project plan timeline and incorporate comments received by the Subcommittee. The will be finalized by February 4th for Subcommittee approval and sent to the full MSG as a meeting material on Feb 10th. Deloitte will present the plan at the Feb MSG meeting.

Template & Project Level Workgroup Update:

The workgroup completed an all-day facilitated meeting Jan 20th with the following outcomes:

1. The workgroup approved a timeline for data collection and reconciliation

2. Significant changes were made to the reporting template, but the template is not yet final pending the decisions following that have yet to be made by the MSG:
 - ROW, Cost Recovery, and Helium will not be included in the reconciliation. If so, then BOEM and BSEE will not be included in reconciliation
 - Are ROW fees still disclosed separately in the Unilateral Disclosure?
 - Is Helium still disclosed separately in the UDR?
 - Recommendation on the Margin of Error
3. The workgroup agreed on the level of management sign off for the template
4. New language was added to the template regarding voluntary disclosure
5. The group decided that two webinars will be held in the beginning of March. The first will be held in Houston and the second in Denver. The Denver session will be recorded for future training purposes.
6. The webinar will cover four main topics:
 - Overview of USEITI
 - What the IA will do with company data
 - Reconciliation Timeline
 - Walkthrough the template and guidelines
7. The IA will contact the 44 companies to find out who from each company is a good point of contact for the data collection and to attend the webinar.
8. The IA will also survey/poll the willingness of companies to report. Those polling questions should be finalized before the webinar
9. There is an outreach opportunity coming up at PASO (Feb 11-12) where Greg will be speaking about USEITI and IND reps attending will also participate in outreach. About 33 of the 44 reporting companies will be in attendance. Dave and Bob also agreed to reach out to their COPUS contacts to support outreach efforts.
10. ONRR has decided to re-publish the 2013 Unilateral Disclosure to include account receivables paid, not billed.
11. The IA has agreed to develop narrative with ONRR for the reporting guidelines.

Curtis Carlson presented the tax form and letter that would be used for companies to authorize the IRS to release their income tax information. He suggested that an all-day meeting be set up soon to discuss this process.

The IA presented some options for the margin of error. They were encouraged to look at the Nigerian Case and see what they adopted. At the next Subcommittee meeting the IA will present a more formal document with options for the full MSG to consider at the Feb MSG meeting. A decision on margin of error will need to be made on or by the May MSG meeting.

Inception Report Workgroup Update:

The inception Report Workgroup held an all day facilitated meeting on January 9th which was successful. The revised and redlined report will be sent out to all three sectors for final review and opportunity for comments. Once the report is finalized, it will be sent to the full MSG as a meeting material on Feb 10th and Deloitte will present a high level overview of the final report at the Feb MSG meeting.

Workplan Workgroup Update:

The 2014 and 2015 Workplans are pending comments and approval from the International Secretariat.

Next Steps:

- Judy will update the dates on the new project plan timeline.
- Submit comments on Draft Inception Report to Jennifer Goldblatt by Monday Jan 26th.
- Submit comments on Draft Data Collection and Reconciliation Project Plan to Kim Oliver by Friday Jan 23rd.
- Facilitated tax discussion - Date TBD.
- Workgroups to begin preparing final recommendations and presentations for the full MSG by Feb 4th.
- All materials will be sent the full MSG on Feb 10th.

-MSG Meeting in Washington DC – Feb 24th-25th

Next Subcommittee Scheduled for Wednesday, January 28, 2015

List of attendees

Greg Arend, Deloitte
Brian Bencivengo, DOI
Paul Bugala, Calvert Investments
Curtis Carlson, Treasury
Phil Denning, Shell
Jennifer Goldblatt, DOI
David Goldwyn, Goldwyn Global Strategies
Greg Gould, DOI
Jennifer Heindl, DOI
Alex Klepacz, Deloitte
Bob Kronebusch, DOI
Veronika Kohler, National Mining Association
Mike LeVine, Oceana
Mike Matthews, State of Wyoming Department of Audit
AJ Maxwell, Deloitte
Kim Oliver, DOI
Aaron Padilla, API
Jon Swedin, DOI
Mia Steinle, POGO
Debbie Gibbs Tschudy, DOI
Johanna Nesselth Tuttle, Chevron
Claire Ware, Shoshone Arapaho Minerals Compliance Office
Lance Wenger, DOI
Judy Wilson, DOI